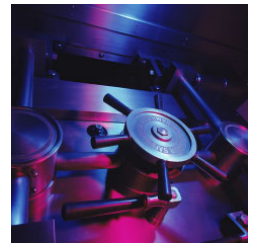
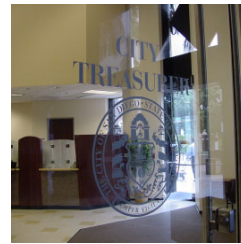
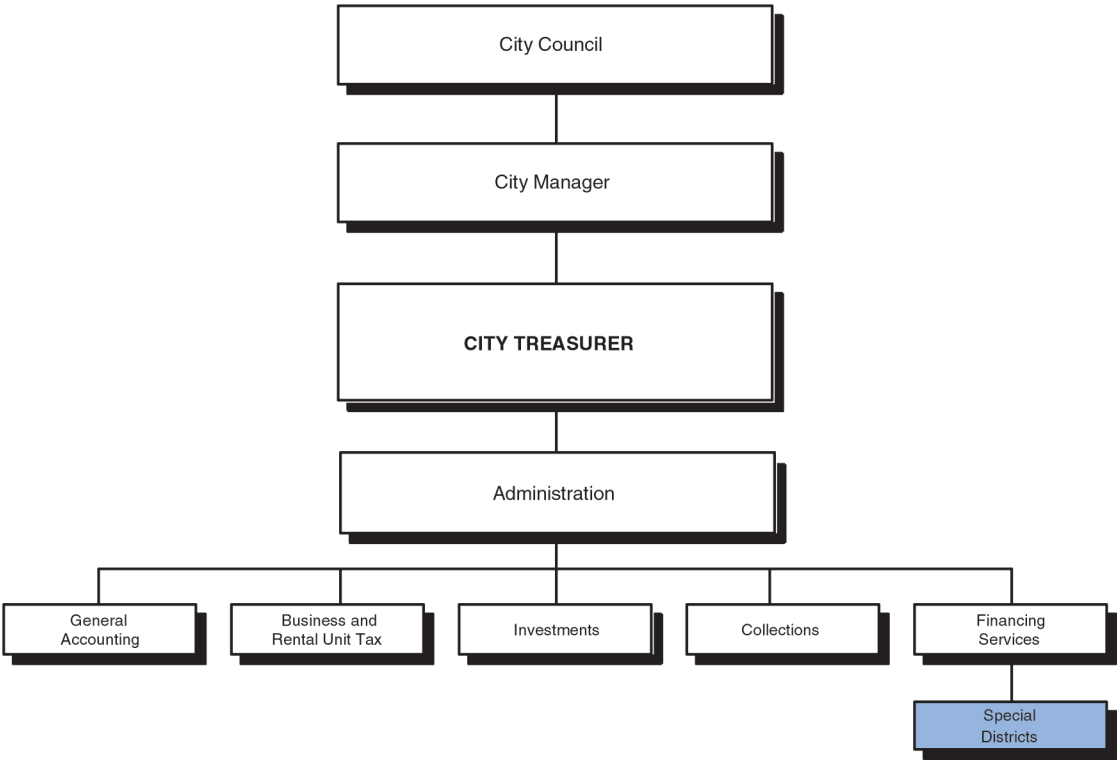


City Treasurer



To enrich our community by responsibly managing the public's money and creating an atmosphere of pride through mutual support and outstanding service.

City Treasurer



Department Description

The Office of the City Treasurer is responsible for managing the public's money as well as providing the most cost-effective and fiscally responsible process for managing short-term and long-term debt and developing financing plans. Restructuring occurred in Fiscal Year 2003, combining the Office of the City Treasurer and Financing Services, in order to consolidate and enhance the level of fiscal services provided to the public. The Department is also responsible for generating a significant amount of revenue to the City, by collecting overdue accounts receivables.

Milestones Met/Services Provided

In Fiscal Year 2001, the Office of the City Treasurer relocated to the lobby of Civic Center Plaza. This move provides customers with a more centralized location to conduct City business, including the processing of Business Tax applications and the acceptance of all Citywide payments. The Office of the City Treasurer has partnered with the Combined Organizations for Visual Artists to promote local artwork in the new location. This partnership showcases the artwork of local artists on a quarterly basis at no cost to the City.

During Fiscal Year 2002, Financing Services coordinated the issuance of tax-exempt lease revenue bonds for a portion of the City's contribution to the Ballpark and Redevelopment Project. The issuance of the lease revenue bonds and construction of the project were delayed for a significant period of time due to the existence of outstanding litigation concerning the project. However, Financing Services worked with other members of the Ballpark Financing Team to identify and analyze possible alternative financing structures, and to procure a municipal bond insurance policy with respect to the financing. As a result of these efforts, in February 2002, the City issued lease revenue bonds for the project, which allowed the construction of the Ballpark to resume.

In Fiscal Year 2002, Financing Services directed the preparation and presentation of economic and financial information to the credit rating agencies, which culminated in the City's General Obligation credit rating from Fitch Ratings being upgraded to AAA. Currently, San Diego is the only large city in California to have a AAA rating with any of the three major credit rating agencies. Due to its AAA rating with Fitch Ratings, and its excellent ratings with the other agencies (AA with Standard and Poor's and AA1 With Moody's), the City is able to borrow at a low interest cost to fund improvements, such as fire station and lifeguard stations.

In Fiscal Year 2002, the City acquired portions of Carmel Valley Road, Camino Ruiz and San Dieguito Road, in the Black Mountain Ranch Community Area, using the proceeds of a \$60 million Mello-Roos bond issuance facilitated by Financing Services/Special Districts Administration.

Future Outlook

The Department continues to provide cost-effective financing alternatives, which enable City departments to acquire necessary equipment to improve and provide more efficient services to the public.

Future financings anticipated during Fiscal Year 2003 include the Water and Wastewater system improvements, and a Fire and Lifeguard facility improvement issuance. A financing plan for the Library System financing is anticipated to be developed in Fiscal Year 2003. The first series of Mello-Roos bonds is anticipated to be issued for the acquisition of public improvements in connection with the Naval Training Center Redevelopment Project.

City Treasurer

City Treasurer				
	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 FINAL	FY2002-2003 CHANGE
Positions	87.79	90.56	96.26	5.70
Personnel Expense	\$ 4,828,165	\$ 5,674,462	\$ 6,213,021	\$ 538,559
Non-Personnel Expense	\$ <u>3,596,700</u>	\$ <u>2,710,516</u>	\$ <u>3,008,348</u>	\$ <u>297,832</u>
TOTAL	\$ 8,424,865	\$ 8,384,978	\$ 9,221,369	\$ 836,391

Department Staffing

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 FINAL
GENERAL FUND			
City Treasurer	81.68	83.41	89.11
Total	81.68	83.41	89.11
SPECIAL DISTRICTS FUND			
Financial Services - Special Districts	6.11	7.15	7.15
Total	6.11	7.15	7.15

Department Expenditures

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 FINAL
GENERAL FUND			
City Treasurer	\$ 7,957,524	\$ 7,718,894	\$ 8,534,676
Total	\$ 7,957,524	\$ 7,718,894	\$ 8,534,676
SPECIAL DISTRICTS FUND			
Financial Services - Special Districts	\$ 467,341	\$ 666,084	\$ 686,693
Total	\$ 467,341	\$ 666,084	\$ 686,693

Significant Budget Adjustments

GENERAL FUND

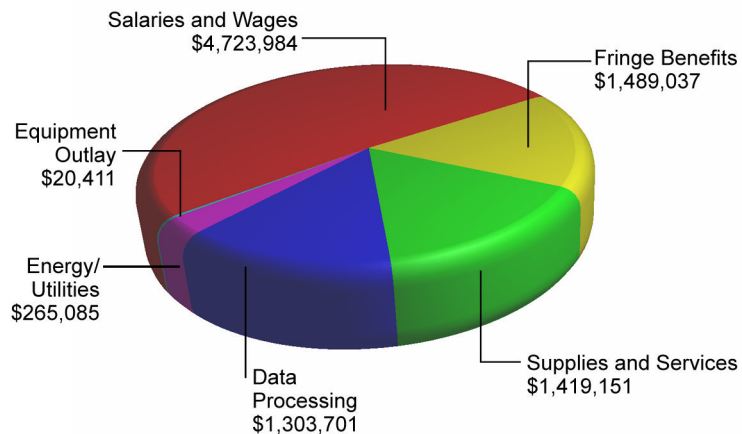
City Treasurer	Positions	Cost
Salary and Budget Adjustments	0.00 \$	221,499
Adjustments to reflect the annualization of the Fiscal Year 2002 negotiated salary compensation schedule, Fiscal Year 2003 negotiated salaries and benefits, changes to average salaries, and other salary and benefit compensation.		
Staffing and Support for Collections Activities (Reimbursable)	8.00 \$	509,714
The addition of 5.00 Collection Investigators I, 1.00 Collection Investigator II, 1.00 Collection Investigator III, and 1.00 Clerical Assistant II and support will generate revenues to the City by collection of Citywide overdue accounts receivable. Annually, gross revenues to the General Fund are estimated at \$800,000 and gross revenues to other funds are estimated at \$500,000.		
Contractual Services	0.00 \$	229,025
Increase for postage, and for contractual services to maintain current service levels in existing contracts with financial and investment institutions, as well as to maintain existing computerized systems for Investments, Business License and Collection Programs required for Department operations.		
Non-Discretionary	0.00 \$	(10,111)
Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.		
Management Reallocation	(0.30) \$	(49,135)
Financial Management Director reallocation due to internal reorganization.		
Budgetary Savings Plan	(2.00) \$	(85,210)
Reduction of 1.00 Public Information Clerk and 1.00 Clerical Assistant II will reduce counter staffing and telephone assistance to citizens, reduce lobby hours to the public, and delay the processing of payments and Citywide revenue receipts.		

SPECIAL DISTRICTS FUND

Financing Services - Special Districts	Positions	Cost
Salary and Benefit Adjustments	0.00 \$	11,874
Adjustments to reflect the annualization of the Fiscal Year 2002 negotiated salary compensation schedule, Fiscal Year 2003 negotiated salaries and benefits, changes to average salaries, and other salary and benefit compensation.		
Non-Discretionary	0.00 \$	8,735
Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.		

City Treasurer

Expenditures by Category



Budget Dollars at Work

\$73 Million in Tax Anticipation Notes to meet the City's cash flow needs

\$11,544,328 Revenue collected by Collection Program

Provided in-house financial analysis to support projects endorsed by the Mayor, City Council, and City Manager

Provided assistance in developing financing options for public improvements associated with the "City of Villages" planning strategy to manage growth and development

\$10 Million of annual special taxes and assessments was calculated, enrolled, and apportioned to 7,000 parcels

Key Performance Measures

		FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 FINAL
Average cost per dollar invested expressed as basis points	(1)	4	6	6
Average cost per bank transaction reconciled		\$1.41	\$0.65	\$0.78
Average cost per Business and Rental Tax account administered		\$10.54	\$11.78	\$12.43
Average cost per delinquent account dollar collected	(2)(3)	\$0.17	\$0.25	\$0.21
Average cost per existing and new bond financing		\$15,955	\$13,954	\$14,815
Average cost per internal financial consultation		\$948	\$1,011	\$1,109
Average cost per water/sewer plan analyzed and prepared	(4)	\$90,055	\$116,125	\$130,801
Average cost per 1915 Act District and Community Facilities Districts parcel enrolled	(5)	\$52	\$57	\$62
Average cost per 1911 Act District parcel serviced	(6)	\$638	\$833	\$1,695
Average cost of special district formation proceedings	(7)	\$31,670	\$60,751	\$37,561

(1) One basis point equals 0.01 of a percent.

(2) In Fiscal Year 2001, an unusually high number of outstanding parking citations were referred to the Collections Division, a number of which were paid in response to the mailing of an initial collection notice with no material collection effort. This factor resulted in a significant increase in revenues (as compared to prior fiscal years' revenues of \$9.8 million).

(3) The revenues estimated to be collected in Fiscal Year 2003 assumes the addition of eight positions.

(4) The increase in average cost per financial plan is a result of an increase in complexity of the analysis required, leading to the application of higher level staff resources and additional non-personnel support.

(5) Reflects a decrease in the number of parcels enrolled associated with the final maturity of a 1915 Act District Bond. Also, does not reflect parcels that may be enrolled in Fiscal Year 2003 relating to proposed Community Facilities District #3 (Liberty Station).

(6) In Fiscal Year 2003, the cost per parcel is expected to increase due to a decrease in the number of parcels enrolled associated with the final maturity of a 1911 Act District Bond. It is also anticipated that staff resources will be reallocated during Fiscal Year 2003 from this activity to the 1915 Act District/Community Facilities District activity.

(7) The annual cost of formation proceedings increased in Fiscal Year 2002 due to a reallocation of staff resources to this activity, and due to the increased complexity of the formation proceedings and related bond issuances managed.

City Treasurer

Division/Major Program Descriptions

Administration

This Program is responsible for supervising the Department's operations, providing financial analysis, projections, and reports relating to Departmental activities and to ensure consistent, effective, and economical achievement of Department objectives and mission. It also provides treasury services for the Redevelopment Agency and the Public Facilities Financing Authority. The City Treasurer serves as a member of the Funds Commission, the Board of Administration of the City Employees' Retirement System, and as a Trustee for the Supplemental Pension Savings Plan and 401(k) plans. Through deputization of the Retirement Officer, the City Treasurer oversees certain record keeping functions for the City Employees' Retirement System.

Bond Financing Utilities and Analysis

This Program evaluates the financial, economic and fiscal implications of issues confronting the City, and selects and implements the most cost-effective processes for managing short-term and long-term debt. This Program also provides in-house consultation services such as cost-benefit and fiscal impact analysis requests by the City Council, the City Manager, and other City departments. This program also ensures the City's compliance with federal securities laws. This Program develops prudent and equitable financial plans and rate structures for the Water and Metropolitan Wastewater Departments, and determines the optimal mix of revenues necessary to fund infrastructure requirements while ensuring compliance with federal, State, and local legal mandates.

Business Tax Program

This Program administers the collection of the City's Business Tax and Rental Unit Business Tax, and handles the collection of Business Improvement District assessments.

Collection Program

This Program is responsible for the administration and collection of delinquent accounts that have been referred to the City Treasurer by other City departments and agencies. This Program also represents the City in Small Claims Court actions on delinquent accounts and it investigates, prepares documents, and assists the City Attorney's Office in court actions on delinquent accounts in order jurisdictions.

General Accounting

This Program is responsible for collecting fees, fines, permits, taxes and other Citywide payments. Treasury Accounting processes Transient Occupancy Tax returns, and balances and reports daily revenue to the City Auditor and Comptroller including accounting for daily cash deposits of City funds in various banks, maintaining records for City investments, and accounting for investments in the Cemetery Perpetuity, Los Peñasquitos Preserve Fund and Sergeant, Peters and Benjamin Memorial Trust Funds.

Investments

The Investments Program is responsible for the investment of cash balances for the City. The Investment Program also provides cash management services for the City, including maintenance of banking relationships and the review of deposit and disbursement procedures.

Special Districts Administration

This Program provides the City with a cost-effective and fiscally responsible process for managing the public financing process using Communities Facilities Districts, 1915 Act Assessment Districts, and 1911 Act Districts. Responsibilities include comprehensively managing all special district formation procedures and related bond issuances; calculating and enrolling special taxes and assessments; collecting delinquent accounts; and assisting communities in the formation of new assessment districts, while adhering to all legal and City policy guidelines.

Salary Schedule

GENERAL FUND

City Treasurer

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary</i>	<i>Total</i>
1104	Account Clerk	5.00	5.00	\$ 32,225	\$ 161,125
1106	Senior Management Analyst	3.00	3.00	\$ 63,221	\$ 189,664
1107	Administrative Aide II	1.00	1.00	\$ 43,157	\$ 43,157
1218	Associate Management Analyst	2.00	2.00	\$ 56,182	\$ 112,364
1222	Associate Economist	3.00	3.00	\$ 55,709	\$ 167,126
1243	Information Systems Admin	1.00	1.00	\$ 76,486	\$ 76,486
1330	Cashier	3.00	3.00	\$ 32,760	\$ 98,280
1331	Collections Investigator I	16.00	21.00	\$ 40,481	\$ 850,101
1332	Collections Investigator II	3.00	4.00	\$ 47,127	\$ 188,508
1333	Collections Investigator III	3.00	4.00	\$ 51,908	\$ 207,632
1344	Collections Manager	1.00	1.00	\$ 67,979	\$ 67,979
1348	Information Systems Analyst II	1.00	1.00	\$ 54,298	\$ 54,298
1349	Info Systems Analyst III	1.00	1.00	\$ 60,929	\$ 60,929
1424	Economist	2.00	2.00	\$ 61,270	\$ 122,540
1465	Field Representative	1.00	1.00	\$ 33,123	\$ 33,123
1535	Clerical Assistant II	12.00	12.00	\$ 29,850	\$ 358,200
1575	Data Entry Operator	1.76	1.76	\$ 33,540	\$ 59,030
1576	Data Entry Supervisor	1.00	1.00	\$ 40,348	\$ 40,348
1776	Public Information Clerk	3.00	2.00	\$ 32,392	\$ 64,784
1840	Senior Cashier	1.00	1.00	\$ 37,616	\$ 37,616
1842	Accountant II	1.00	1.00	\$ 52,115	\$ 52,115
1844	Senior Account Clerk	3.00	3.00	\$ 37,061	\$ 111,183
1876	Executive Secretary	0.70	0.70	\$ 45,121	\$ 31,585
1879	Senior Clerk/Typist	2.00	2.00	\$ 37,258	\$ 74,516
1917	Supervising Management Analyst	2.00	2.00	\$ 68,751	\$ 137,502
1923	Supervising Economist	3.00	3.00	\$ 64,742	\$ 194,226
2111	Assistant City Manager	0.02	0.02	\$ 168,600	\$ 3,372
2130	Financial Management Director	0.30	0.00	\$ -	\$ -
2153	Deputy City Manager	0.68	0.68	\$ 160,149	\$ 108,901
2190	Treasurer	1.00	1.00	\$ 120,822	\$ 120,822
2214	Deputy Director	0.95	0.95	\$ 85,800	\$ 81,510
2228	Principal Accountant	1.00	1.00	\$ 92,662	\$ 92,662
2241	Investment Officer	1.00	1.00	\$ 111,020	\$ 111,020
2256	Assistant Investment Officer	2.00	2.00	\$ 78,845	\$ 157,690
	Bilingual - Regular	0.00	0.00	\$	\$ 7,377
	Temporary Help	0.00	0.00	\$	\$ 50,566
	Overtime Budgeted	0.00	0.00	\$	\$ 9,012
	Total	83.41	89.11	\$	4,337,349

City Treasurer

Salary Schedule

SPECIAL DISTRICTS FUND

Financing Services - Special Districts

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary</i>		<i>Total</i>
1106	Senior Management Analyst	1.00	1.00	\$	63,222	\$ 63,222
1107	Administrative Aide II	2.00	2.00	\$	43,157	\$ 86,314
1746	Word Processing Operator	1.00	1.00	\$	30,935	\$ 30,935
1844	Senior Account Clerk	1.00	1.00	\$	37,060	\$ 37,060
1876	Executive Secretary	0.05	0.05	\$	45,120	\$ 2,256
1917	Supervising Management Analyst	1.00	1.00	\$	68,751	\$ 68,751
2153	Deputy City Manager	0.05	0.05	\$	160,140	\$ 8,007
2214	Deputy Director	0.05	0.05	\$	85,800	\$ 4,290
2270	Program Manager	1.00	1.00	\$	85,800	\$ 85,800
Total		7.15	7.15		\$	386,635
CITY TREASURER TOTAL		90.56	96.26		\$	4,723,984

Five-Year Expenditure Forecast

	FY 2003 FINAL	FY 2004 FORECAST	FY 2005 FORECAST	FY 2006 FORECAST	FY 2007 FORECAST
Positions	96.26	96.26	96.26	96.26	96.26
Personnel Expense	\$ 6,213,021	\$ 6,399,412	\$ 6,591,394	\$ 6,789,136	\$ 6,992,810
Non-Personnel Expense	\$ 3,008,348	\$ 3,098,598	\$ 3,191,556	\$ 3,287,303	\$ 3,385,922
TOTAL EXPENDITURES	\$ 9,221,369	\$ 9,498,010	\$ 9,782,950	\$ 10,076,439	\$ 10,378,732

City Treasurer

Fiscal Year 2004

No major projected requirements.

Fiscal Year 2005

No major projected requirements.

Fiscal Year 2006

No major projected requirements.

Fiscal Year 2007

No major projected requirements.

